

FOREIGN SERVICE OF THE UNITED STATES OF AMERICA
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TO : Department of State

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FROM : Oslo 921 December 8, 1950

RETURN TO CIA
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REF : Oslo 501 September 18, 1950

SUBJECT : SHIPMENTS OF SILICON CARBIDE TO CZECHOSLOVAKIA AND POLAND

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Mr. Eirik HAMMER, Director of Arendals Smelterverk, Eydehavn, Norway, a subsidiary of the Carborundum Company of the United States, called at the Embassy today to inquire as to its attitude towards the shipment of silicon carbide to Eastern Europe. Mr. Hammer referred to the Norwegian-Czechoslovakian trade agreement, a copy of which was transmitted by Oslo despatch 734 of October 26, which provides for Norwegian export of 50 tons of silicon carbide. He revealed that he had received no instructions from the Norwegian authorities as to the position which he should take with respect to such export. (As reported in Oslo despatch 551 of September 27 and Oslo 734 of October 26, Mr. Kristen Faye KLAIVENESS of the Foreign Office had assured an Embassy officer that in the trade negotiations with Czechoslovakia (1) Norway had made it abundantly clear to the Czechs that it did not regard the commodity trade lists as obligating it to deliver any of the items included therein but only to grant export licenses therefor if such items are available, (2) that the Norwegian authorities do not anticipate that any silicon carbide will be available for export to Czechoslovakia, and (3) that no licenses for the export of strategic grades of silicon carbide will be issued for Czechoslovakia.)

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Mr. Hammer exhibited a letter which he had received, dated November 9, 1950, addressed to his firm by Tschechoslowakische Keramik of Praha (signed by O. Vleek and O. Bursak), requesting immediate delivery of 50 tons of light green precrushed silicon carbide. To this request Mr. Hammer asserted that his company had replied that this grade of silicon carbide was not available for export because of prior commitments to other customers. He expressed the fear that the Czechs would now respond requesting other grades and inquired of an Embassy officer whether any objection be perceived to his shipment of refractory grades of silicon carbide (see Embassy despatch 489 of September 15, 1950). Mr. Hammer indicated that he did not desire to engage in any operation which would cause future difficulties with respect to procurement of petroleum coke from the United States.

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The Embassy officer informed Mr. Hammer that as a Norwegian national he was subject to the direction and controls of the Norwegian Government but that the United States Government did not look with favor upon shipments of either refractory or abrasive grades of silicon carbide.^{1/} His attention was invited to the provisions of the Economic Cooperation Act of 1950, Section 117 D (see Embassy despatch 867 of November 24, 1950). Mr. Hammer stated that under the circumstances he would refrain from all shipment of silicon carbide to Eastern European destinations, and expressed concern that the Norwegian authorities in current negotiations with Poland might as they had in the Czech negotiations include silicon carbide on the commodity list of Norwegian exports.

From Mr. Hammer's remarks it appeared that the Norwegian authorities had not definitely informed Mr. Hammer of the position which they have taken with respect to silicon carbide exports and were apparently relying upon their export license controls to refuse an application for export of abrasive grades to Czechoslovakia when same might be presented by Arendal to them. In view of the ambiguity prevailing with respect to items included in the U.S. 1-A list but not included in the International Embargo List, the Embassy can offer no assurance at this time that the Norwegian authorities would refuse issuance of an export license for refractory grades of silicon carbide. As hereinafter indicated, there are reasons to believe this will be granted.

The Controller of the ECA Mission to Norway, who participated in the latter part of the discussion with Mr. Hammer, received assurances that the latter would make available export statistics on all silicon carbide shipments made by his company throughout 1949 and for the first eleven months of 1950. These will be forwarded upon their receipt early next week.

The Embassy officer subsequently inquired of Mr. Klavness as to the status of silicon carbide exports to Czechoslovakia and was informed that the Norwegian Government no longer feels obligated to embargo such shipments. He asserted that when application for export is made for 50 tons called for in

^{1/} Silicon carbide, crude and in grains, appears on U.S. 1-A list of September 15, 1950. In contrast, it is proposed only for quantitative control in COCOM Document 207.

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the trade agreement the present disposition of the Norwegian Government is to approve it. He pointed to the fact that COCOM document 207 proposes to list silicon carbide as subject to quantitative control rather than embargo, construing from this fact that the United States has modified its position. Moreover, he asserted that the Counselor of the Norwegian Embassy at Washington had recently been informed by State Department officials that neither that Department nor the Commerce Department perceived any objection to the scheduled 50 tons shipment to Czechoslovakia, particularly in view of the fact that that volume would be only 1/15 of the volume which had previously prevailed. Mr. Klaveness was unable to offer specific details as to the date or participants in this alleged discussion but promised to provide same at the earliest possibility. The Embassy would appreciate being informed by the Department of the validity of this allegation.

The Embassy officer also referred to section 117 D of the Public Law 472 as introducing possible complications in view of the fact that silicon carbide appears on the U.S. 1-A list and the petroleum coke by which it is produced in Norway is ECA financed. Mr. Klaveness replied that in his view the Norwegian Government could not be expected to keep itself au courant with all changes in the U.S. lists and furthermore he was under the impression that the international lists supplanted those of the United States in so far as Western Europe export policy is concerned. (As far as the Embassy is aware silicon carbide was not included as an embargo item in the U.S. lists until September 15, 1950, two copies of said list having been transmitted by the Department to the Embassy under cover of unnumbered instruction of October 10. This instruction conveyed no authority to the Embassy to make available to the Norwegian Government a copy of the U.S. lists but on the other hand it would appear that copies of the U.S. lists were made available to participants in the Consultative Group at Paris and hence the Norwegian Government through that channel had been apprised of changes in the U.S. lists.)

Queried as to the status of Polish-Norwegian trade negotiations, Mr. Klaveness stated that the Chief of the Norwegian delegation in Warsaw has been given authority to offer Poland the same quantity of silicon carbide as has been made available to it during this year, namely, 75 tons. He was not informed as to whether or not this quantity would prove acceptable to the Polish Government and for reasons cited in a subsequent despatch, expressed the view that the negotiations are likely to break down.

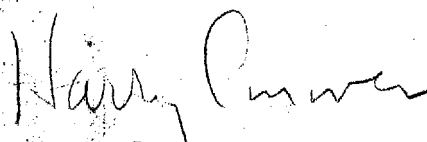
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ACTION REQUESTED

The Embassy would appreciate the Department's advice and comments with respect to continued Norwegian shipments of silicon carbide to Eastern Europe.



Harry Conover
Second Secretary

Copies to Embassy, Paris (EXCON)
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Embassy, Praha

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